

BRAZIL

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BRAZIL - INLAND WATERWAY TRANSPORTATIONII. POLICIES

1. Basic inland waterway policy is determined by the Brazilian Government. While the Government desires to support inland waterway transportation and to improve the existing waterways, it has been unable to allocate the large amounts of money necessary to exploit the full potential transportation capacities of its many rivers. In fact, the waterways have recently deteriorated, due to the impossibility of securing badly needed maintenance equipment which is in short supply on the world market.
2. The Ministry of Transport and Public Works determines and administers policies for all forms of transportation except air. However, little integration exists and the various departments function almost autonomously.
3. While the development of Brazil's inland waterways has been inspired by economic considerations, and their current operation reflects predominantly the economic requirements of the country's river basins, the system unquestionably has a strategic significance which influences government thinking. The Amazon system, for example, provides Brazil with a strong lateral defensive artery which would be of value in case of a military threat in the north. It also brings to seaboard strategic materials which are important to other countries, and thus greatly strengthens Brazil's political position internationally. Tributaries of the Amazon, moreover, are navigable into Peru, Bolivia, and Colombia. Brazil is therefore in a position to shut off the waterway connections between the respective areas and the oceanic Amazon.
4. The Brazilian Government has, in effect, subsidized river transportation from the beginning, by paying for the improvements necessary to establish the practical navigability of its rivers. A 200-mile railroad, for example, was constructed by the government to provide a by-pass around the Madeira rapids and falls. The maintenance of river channels is also undertaken by the government.

Direct subsidization of river navigation companies is carried out in the form of cash grants and reimbursable advances. For example, the following grants were made in 1946 to shipping companies which operate in varying degrees on Brazil's rivers:

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Firms	in 1000 cruzeiros
Lloyd Brasileiro	40,000
Cia.Nacional de Navegacao Costeira . . .	8,750
Serv.Nav.Amazonia e Adm.Porto Para . . .	7,000
Serv.de Nav.da Bacia do Prata	5,000
Serv.de Nav. do Guapore	700
Serv.de Nav. do Madeira	200
Serv.de Transporte do Amapa	350
Navegacao dos Mutazes	150
Navegacao Araguaia - Tocantins	486
Navegacao Fluvial do Paranhao	350
Navegacao Bahiana do Sao Francisco . . .	440
Navegacao do Rio Doce	24
Navegacao do Baixo Sao Francisco	350

In addition to the foregoing, the Merchant Marine Commission made advances in 1946 amounting to thirty million cruzeiros to the following firms on the indicated terms:

Classi- fication	Firm	Amt. in 1000 Cr.	To be Re- imbursed	Authori- zation
Finan- cing	Aracati Campos	1,400	Yes	President
"	Lloyd Brasileiro	3,660	No	President
"	Serv.Nav.da Bacia do Prata	3,581	No	President
"	Paulo C. Cruz Galdarha	871	No	President
"	Navegacao Bahiana	700	No	President
"	Escola Prof. da Marinha	5,000	No	President
"	Mercants			
"	Serv.Nav.da Bacia do Prata	700	Yes	President
Loan	Serv.Nav.da Bacia do Prata	100	Yes	Pres.M.Mar.Comm
Finan- cing	Serv.Nav.da Bacia do Prata	273.5	Yes	President
"	Nat'l Dept.Ports,Rivers & Canals	148.6	Yes	Min.Trans.
"	Serv.Nav.Amazonia e Adm.Porto Para	2,500	Yes	President
"	Nav. Rodolpho Souza Ltd.	700	Yes	President
"	Serv.Nav.Amazonia e Adm.Porto Para	7,500	Yes	President
"	Serv.Nav.da Bacia do Prata	2,930	Yes	President
Aid	Aracati Campos	80.9	No	President

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Direct ownership of Lloyd Brasileiro, Companhia Nacional Navegacao Costeira and S.N.P.P (Serviço de Navegação da Amazonia e de Administração do Porto do Pará) has in the past entailed a subsidy, in that the government absorbs losses incurred by the companies.

5. Vested private interests, impelled by the profit incentive, were responsible for the first colonial penetrations of Brazil's rivers. The shipping companies, as well as private interests in the upper river valleys, still exert an influence in inland waterway policy. Brazil's inland waterways are practically exclusively confined to the rivers, and are therefore directly limited by geographic conditions. The central upland plateau region backing up the coastal population centers on the Atlantic is drained generally in a northerly direction into the Amazon system. The southern part of this upland area, however, is drained by the La Plate river system. One important exception to this pattern is the São Francisco River, which, after flowing in a northerly direction, turns abruptly eastward to tumble over the coastal escarpment at the São Francisco Falls. With the exception of the Amazon, therefore, all of Brazil's rivers flow in a north-south direction and across normal trade channels. On the other hand, in spite of the limitations of Brazil's inland waterways, they do form the only nation-wide articulated system for the movement of goods. This fact has political significance because water transportation provides the only practical physical communication with many of the central government's political subdivisions.

B. ORGANIZATION

1. The Ministry of Transport and Public Works controls all inland water transportation through (1) the Department of Ports, Rivers and Canals, and (2) The River Plate Basin Navigation Commission. The Ministry's Merchant Marine Commission has also an interest in inland waterway transportation because the lower reaches of some of Brazil's rivers are navigable to ocean shipping. The Merchant Marine Commission also establishes routes and rates (see C-1, C-2) for Brazilian shipping companies.
2. The National Department of Ports, Rivers and Canals has jurisdiction over all fluvial transport matters, as well as the construction, employment, maintenance and operation of all ports, both oceanic and fluvial. The Department's central administration at Rio de Janeiro is organized into five divisions:
 - (a) Division of Hydrography

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Sect. 1 - Hydrography and mapping
 " 2 - Meteorology
 " 3 - Experimental hydrography

(b) Division of Engineering and Construction

Sect. 1 - Projects
 " 2 - Construction
 " 3 - Property
 " 4 - Dredging

(c) Division of Economics

Sect. 1 - Investigations - commercial
 " 2 - Statistical

(d) Division of Administration

Sect. 1 - Communications
 " 2 - Materials
 " 3 - Budget
 " 4 - Personnel

(e) 19 Fiscal Districts

There are three regional offices of the Department:

North	- at Belém
Northeast	- at Recife
South	- at Rio de Janeiro

3. All forms of transportation, except civil air, are under the jurisdiction of the Ministry of Transport and Public Works. While coordination is thus theoretically assured at the Ministry level, there is little actual coordination of the Ministry's various semi-autonomous departments, and no formal relation to the Air Ministry exists. The temporary war-time integration of national transportation policy has largely disappeared.
4. The first predecessor of the present Department of Ports, Rivers and Canals was organized in 1930 as the National Department of Ports and Shipping. It was directly subordinated to the Ministry of Transport and Public Works and was charged with all matters relating to ports and rivers. Its responsibility further included merchant shipping and transport in both fluvial and oceanic ports. The Department was divided into four sections: (1) Secretariat; (2) Plans and Construction; (3) Contracts and Investigations; and (4) Statistics. Decreto Law No. 6166, 31 December 1943, reorganized the department and changed its name to National Department of Ports, Rivers and Canals. Except for two regional offices instead of three, the present organization (see B-2) was established.
5. The National Department of Ports, Rivers and Canals is attempting to discharge its responsibilities efficiently and in the public interest. It appears, however, that

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the government is handicapped by political and financial limitations. General satisfaction has been expressed with the work of both the Merchant Marine Commission and the National Department of Ports, Rivers and Canals. As a consequence of wartime scarcities, however, the latter entity has not been in a position to keep the various ports and rivers in good condition. Plans for the improvement of port facilities and for the dredging of rivers and harbors are being examined.

C. ADMINISTRATION

1. The Merchant Marine Commission is legally charged with the approval of navigation routes for Brazilian vessels engaged in fluvial transportation. This responsibility applies to both privately and publicly-owned vessels.
2. The Merchant Marine Commission establishes inland waterway rates as well as those for coastwise shipping.
3. Competition is restricted by the limiting of coastwise trade to national companies and by the granting of subsidies to certain government-owned entities. The assigning of routes may also be used to restrict or foster competition.
4. As mentioned above, the National Department of Ports, Rivers and Canals establishes rules and regulations to govern safety and inspection, equipment and personnel and investigation of accidents. It is reported that there is no steamboat investigation service comparable to that in the United States and that technical examinations have heretofore been somewhat lax. Some private criticism of this situation has been voiced.
5. Technicians are trained in three different manners. The government gives a small subsidy to an institution called the Abrigo Cristo Redentor for the training of sailors. The Lloyd Brasileiro operates a school for the training of pilots, engineers and other technicians. Men released from the Navy have generally had sufficient training to qualify them for service in the Brazilian Merchant Marine. There is, nevertheless, a scarcity of trained technicians and ordinary seamen in Brazil.
6. The Brazilian government has specific international agreements with Argentina, Chile, Uruguay, Paraguay, Peru and Colombia covering reciprocal and free transit of respective vessels engaged in river navigation.
7. Under the terms of Article 33 of the regulations of the Merchant Marine Commission issued pursuant to Decree-Law 7830 of 11 September 1941, all shipping companies are obliged to communicate by the fifteenth of each month

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data concerning traffic during the previous month; to supply quarterly, by vessel, details concerning conservation and repairs; to submit annual balance sheets, profit and loss statements and to permit any examination or investigation which the Maritime Commission may consider justifiable. The information so submitted is processed by the Merchant Marine Commission and an effort is made to adapt regulations to existing conditions. Summarized information concerning fluvial freight and passenger movement is published in the annual report of the Merchant Marine Commission. The purely local and native craft traffic is not capable of informed reporting, and is not subject to the foregoing regulations.